

**MINUTES  
OF THE JOINT MEETING OF THE  
EDINA HOUSING AND REDEVELOPMENT AUTHORITY  
AND THE EDINA CITY COUNCIL  
HELD AT CITY HALL  
SEPTEMBER 7, 1999 - 7:00 P.M.**

**APPOINTMENT MADE TO EDINA HOUSING AND REDEVELOPMENT AUTHORITY**

Chair Maetzold introduced Scott W. Johnson, the candidate appointed by the Council to fill the term of Commissioner with the Edina Housing and Redevelopment Authority. Clerk Mangen administered the oath of office to Mr. Johnson.

**ROLLCALL** Answering rollcall were Commissioner Faust, Hovland, Johnson, Kelly, and Chair Maetzold.

**CONSENT AGENDA ITEMS APPROVED** Motion made by Commissioner Kelly and seconded by Commissioner Hovland approving the Consent Agenda as presented.

Rollcall:

Ayes: Faust, Hovland, Johnson, Kelly, Maetzold

Motion carried.

**\*MINUTES OF THE REGULAR MEETING OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY FOR AUGUST 17, 1999, APPROVED** Motion made by Commissioner Kelly and seconded by Commissioner Hovland approving the Minutes of the August 17, 1999, Regular Meeting of the Edina Housing and Redevelopment Authority.

Motion carried on rollcall vote - five ayes.

**PROPOSALS RECEIVED FOR KUNZ/LEWIS PROPERTIES** Director Hughes noted that on August 27, 1999, eleven proposals were received for the development of the Kunz Oil/Lewis Engineering properties and other related parcels. The proposals were provided to the HRA shortly after their receipt. Summaries for each proposal were presented at the meeting.

Director Hughes recommended the HRA discuss the process for reviewing the proposals. Staff believes it would be appropriate for the HRA to study the proposals during the next two weeks with a goal of selecting four or five proposals for further study. He suggested the HRA invite four or five finalists to make formal presentations of their proposals. The presentations could take place at a work session later in the month. Following the finalists presentations, the HRA would be in a position to select one or two finalists for further discussions.

Director Hughes noted a list of criteria had been proposed previously that remains valid. The criteria are as follows:

1. Developers ability to plan and complete the project

2. Financial capability
3. Record of accomplishment with respect to other projects
4. Compatibility of project with the neighborhood
5. Responsiveness to HRA goals as established in the RFP
6. Adequate compensation to the HRA for its investment to date
7. Prompt execution of the project

Chair Maetzold inquired whether an eighth point should be added that would include the comprehensive nature of the project which would state using the optimum amount of land for the development. Director Hughes said when the proposals are reviewed, two distinct approaches surface. Some proposals are global in nature and would include other properties in the area, as opposed to just involving the HRA property or another parcel or two. This appears to be a key point of the HRA is whether the project should be a more global project. This could be more exciting, however, it could be more risky and more difficult to accomplish within a short timeframe. He added it could be added as an eighth point to the criteria list.

Commissioner Faust said after perusing the proposals she was distressed with point seven, prompt execution of the project and the proposed time schedule. She noted one proposal suggested delaying construction allowing time for pre-sales. Director Hughes stated that new legislation dictates that a re-development must have a letter of intent by year-end. Another concern with the Grandview area is that the Tax Increment District only lasts until 2010 allowing a limited time to capture the increment needed to fund public projects.

Commissioner Faust added if the decision is made to expand the area of development, how long is the condemnation process. Attorney Gilligan said a quick-take action could be done but a risk would exist with setting a price for the property. A normal condemnation process could take nine-months to a year.

Chair Maetzold asked how to best determine the financial viability of a developer. Director Hughes said these records have not been asked for at present. One method could be to review their completed project history. He noted some proposers have submitted references within their RFPs.

Commissioner Hovland asked within the two week time period would the Commissioners, after perusing the RFPs, discuss them at a work session and chose four or five. Director Hughes answered yes.

Commissioner Faust asked if a special meeting would be called. Director Hughes said what would make sense would be do this at a regular meeting and then schedule a special meeting as a workshop where the finalists were invited in to do a formal presentation.

Chair Maetzold said it seemed appropriate to allow the proposers, after their presentation, to go back and fine-tune their proposals.

Commissioner Hovland asked how all-encompassing the re-development should be, i.e. should it include the TAGS property. Director Hughes said TAGS is interested in having the issue resolved promptly. Commissioner Hovland said it would be helpful to be thinking of the project and the economics of the City when perusing the RFPs, of 1) what the risks are with a 16 acre project, 2) what the costs would be, 3) whether the project was an 8 1/2 acre project, etc.

Commissioner Kelly said he thought this had been discussed. Chair Maetzold said this was discussed during the WMEP discussions in his recollection. Commissioner Hovland said he believed this was discussed in conjunction with the Noonan property. He feels some uncertainty with how big the parcel should be. Commissioner Kelly said the TIF money is gone on January 1 and he believes anything less than a comprehensive review makes no sense. The City can always scale back but we should look at the larger area.

Commissioner Faust believes the TAGS, Noonan and the Pet Hospital properties should be examined all the way to Vernon Avenue.

Commissioner Johnson reiterated that if the plan is more expansive, the proposers should be advised of this fact.

Director Hughes reminded the Council that in the original RFP, we said this is the property we own and it may include others. During the most recent discussions, what found its way into the addendum to the RFP was that the HRA was particularly interested in having the school bus garage and TAGS property included in the development. A developer including those entities should not be considered unresponsive.

Commissioner Faust said one proposal noted a pre-existing agreement between the City and another developer in the Grandview area. Director Hughes responded the district was created in 1984 and in the late 80's entered into a redevelopment agreement with Jerry's during construction of the parking ramp which is what they must be referring to.

Commissioner Hovland asked if it was clear in the second RFP that the bus garage was included in the plan. Director Hughes said the addendum to the RFP said that the bus property and the TAGS property were important additions to the site. He clarified that for the two week period, it might be inappropriate to allow new submissions. The review should be completed on what has been received to date. If a land use is zeroed in on, then some things might be subject to change.

Chair Maetzold re-read the eight criteria for the Council to keep in mind when examining the proposals. He suggested setting the final number at four for proposals to be discussed at the next meeting. He further explained the approach being taken for

the site is not to include gymnasiums or a performing arts center. The City is in active discussion with the School District about placing these two entities on school property.

Director Hughes noted a letter was received from Mr. Tim Moodie, President of the Edina Swim Club, requesting his letter, on behalf of the Club be considered as a proposal for the Kunz/Lewis property. Council consensus was that this use is more appropriate with the School District use.

Commissioner Faust asked how many rental units exist within a half-mile radius of the Grandview area. Director Hughes said staff would research this and provide the information.

No formal action was taken.

**PUBLIC HEARING CONTINUED TO OCTOBER 5, 1999, TO CONSIDER WEST 49½ STREET PARKING RAMP IMPROVEMENT NO P-4a** Affidavits of Notice were presented, approved and ordered placed on file.

#### Engineering Presentation

Mr. Hoffman explained the ramp expansion project Improvement P-4a would be a project authorized jointly by the City of Edina and the Edina HRA. The proposed project would construct a ramp expansion of 115 cars by expanding up one level and horizontally over the Lee property located on West 49½ Street directly west of the existing ramp. The expansion would be funded eighty percent from the District's tax increment funds and twenty percent from special assessments against the 50<sup>th</sup> and France businesses. The estimated cost of the project is \$1,998,000. Mr. Hoffman stated that one issue is the setback variance needed from the north line property line of the ramp due to the height of the ramp.

Mr. Hoffman reported staff has noted that the two north ramps (north of West 50<sup>th</sup> Street) tend to fill frequently. With the addition of the building next to the theater, full use of the south ramp is expected. He noted that there are currently 1000 public parking spaces available on the Edina side of the Business District. The proposed addition to the ramp would increase available spaces by ten percent.

A second consideration is the financing of the proposed ramp. Mr. Hoffman noted that the 50<sup>th</sup> and France Tax Increment District will not be available after early 2001. Mr. Hoffman added that the City acquired the Lee property in 1997 with the thought of being able to use the TIF dollars to expand parking in the area. When the City was in the process of acquiring the Lee property it contracted with Walker Parking to study the area and propose alternatives for additional parking. Expansion of the ramp at West 49½ Street was the preferred option.

Mr. Hoffman used graphic boards prepared by Walker depicting a tentative design. He showed the area on the north side of the ramp where the design will be changed in an attempt to mitigate the addition's impact on adjacent properties. Mr. Hoffman explained

that when the ramp was originally built, a height variance from the rear property line setback was granted. He noted that the addition will require an additional variance. Mr. Hoffman noted that Jan Monson, 3925 West 49<sup>th</sup> Street, had presented a letter stating her objections and requests regarding the parking ramp expansion, that had been placed before the Council.

Member Kelly asked if the ramp expansion could be done in phases, and how was the 80/20 cost split derived. He added that he understood assessments must be proportionate to benefit derived and commented that the 80/20 split seemed low. Mr. Hoffman explained that if the Council wishes to finance the ramp expansion with TIF then it must do so before the 2001 deadline. He added that the 80/20 cost split formula began in 1973 and has been carried forward since that time. Manager Hughes stated he believed when the 80/20 split was originally approved it was a negotiated split.

Member Faust asked if the northwest corner were cut out of the ramp would the need for a height variance be eliminated. She also wanted to know how many spaces would be lost by removing the corner. Mr. Hoffman said the height variance could not be eliminated through any redesign because of the variance necessary for the existing ramp. He added it was not known how many spaces would be eliminated until further design work could be completed.

Member Hovland stated everyone realizes the need for parking in the 50<sup>th</sup> and France area, however, he still felt uncomfortable with the neighborhood impact. He asked what the possibilities would be of excavating and building additional ramp levels underground. Member Hovland noted the incremental cost of each additional parking stall and asked if the Council were to decide to wait could they expect the cost to go down. Mr. Hoffman replied that he believed building additional parking below ground would cut off Hooten Cleaners. He introduced Scott Froemming of Walker to respond to the question of construction costs. Mr. Froemming explained that Walker solicited prices from contractors. He noted the marketplace was currently very busy, but stated he believed the estimated cost was a reasonable cost for the proposed project.

Member Hovland asked if the Council decided the costs were reasonable and to build the entire 115 space addition, how would staff propose to mitigate the impact on the surrounding neighborhood. Mr. Hoffman used pictures and graphics showing the height of the existing landscaping relative to the existing ramp. He pointed out the changes proposed and explained that the ramp would still have to be redesigned. The proposed height issue will be from the middle not the back side of the ramp.

Attorney Gilligan clarified that there will be an April 1, 2001, sunset for expenditure of funds in the 50<sup>th</sup> and France TIF District, meaning the check must be written by that date. Member Faust asked if TIF funds could be used to mitigate the neighbor's impact. Mr. Gilligan replied that TIF funds could be used to lessen neighborhood impact.

#### Public Comment

Marty Rud, Edina Properties, 6222 France Avenue South, representing the Edina side of France business owners, stated he had a resolution endorsing the ramp addition. Mr. Rud stated that parking is very important to customers and employees. He added that the number of employees in the area has increased dramatically. Mr. Rud noted that Spalon Montage has around 200 employees. All of these employees need to park in order to serve their clients and the area businesses would like to keep parking out of the nearby residential areas. Mayor Maetzold asked if the increased number of employees were in response to increased sales. Mr. Rud acknowledged that sales are strong, however, the increase is only partially attributable to sales. Member Faust asked if the new development across France Avenue in Minneapolis has adequate additional parking. Mr. Rud said he believed that the need for increased parking was being addressed.

Keith Moe, 1752 Montreal, St. Paul, owner of the business at 3939 West 50<sup>th</sup> from the 50<sup>th</sup> and France Business Association presented a resolution formally supporting the addition to the ramp. Mr. Moe said the ramp addition will increase parking by ten percent where it is really needed. He urged approval of the ramp improvement.

Gail Dean, 3925 West 49<sup>th</sup> Street, said that ten years ago the City told residents the ramp would not be built higher. Ms. Dean asked how the ramp would benefit her property. She added she will not benefit from additional sales in the business district. Ms. Dean said she should not suffer from people cutting through her yard, the invasion of her privacy, the increased noise intrusion (car alarms), and the landscaping maintenance needed to keep up the trees and shrubs between the ramp and her property. The additional level of the ramp will have a dramatic effect on her property and she urged that the Council mitigate the height as much as possible

Ted Dean, 3929 West 49<sup>th</sup> Street, added that he recently noticed the light fixtures on the back of the parking ramp are broken off. Mr. Dean stated he was against any addition to the existing ramp. He suggested the City purchase Hooten's Laundry and expand the ramp into that area going underground, but not up. Mr. Dean said the maintenance of the existing ramp is not at the level that it should be.

Anthony Park, Hooten Cleaners asked if the expansion could be done without the west side expansion. He wanted to preserve the Hooten Cleaners drive through availability.

Kathleen Godfrey, West 49<sup>th</sup> Street, stated she is also a member of the 50<sup>th</sup> and France Business Association. Ms. Godfrey questioned whether a parking problem existed. She asked if there was not a higher and better use of the vacant land. Ms. Godfrey stated she hates to see residents lose their view and the existing landscaping. She noted the problems with parking is only during the hours of 9 a.m. until 5 p.m. and in her opinion spending two million dollars did not seem prudent.

Jan Monson, 3945 West 49<sup>th</sup> Street, stated the ramp is a very expensive solution to a business parking problem during 10:00 a.m. until 6:00 p.m. Ms. Monson said she did not believe that there really was the severe parking problem purported by the

businesses. She suggested that parking be expanded behind Edina 5-0. Ms. Monson thanked Mr. Hoffman for meeting with her and referred to her letter requesting: all setback requirements are met; the strategic utilization of fencing and landscaping to provide privacy; “reduce” air and noise pollution; and installation of screens to deter people from using adjacent properties as walkways or shortcuts.

David Stein, 3920 West 49<sup>th</sup> Street, stated he opposed the ramp expansion. Mr. Stein added he believed that much more parking could be obtained on the Edina 5-0 location. He said the businesses are going to reap the benefits while the residents will suffer a huge loss forever. Mr. Stein recommended the residents be compensated.

Roberta Costellano, 4854 France Avenue, said she was initially pleased with the project, however, when she considered the effects on her neighbors she changed her mind. Ms. Costellano urged the Council to consider the residents’ privacy, maintenance, security and the noise issue. She added that the commercial garbage pick ups have been occurring too early and waking up the neighborhood. Mr. Costellano said the haulers have been picking up between 5:20 a.m. and 5:40 a.m. She asked the Council to seek other alternatives rather than adding on 115 spaces to the West 49½ Street ramp. Ms. Costellano also asked about the status of the Minneapolis development.

Tom Nelson, Minneapolis resident and 50<sup>th</sup> and France Area business owner, noted that the area is a victim of its own success. Mr. Nelson urged the Council to move ahead with the ramp expansion, stating this was a tremendous opportunity to add parking that is needed both by clients and employees.

Cecil Basset, 4916 Maple Road, asked what is the full 25 year plan for the area. He stated that what happens in the 50<sup>th</sup> and France Area affects more than 49<sup>th</sup> Street, it also affects Maple Road. He asked if more businesses are planned, the potential traffic impacts of future expansion and expressed concern on behalf of all residents of the area. Mayor Maetzold replied that traffic in Edina has become a fact of life for all areas of the City. He added that the City provides the infrastructure for business and residential areas, but does not have a twenty-five year plan for 50<sup>th</sup> and France. Mayor Maetzold added that when the Lee property became available, the Council purchased the land because it thought it prudent knowing there existed a need for additional parking in the area. He noted that traffic cannot be controlled from coming into and moving through or out of Edina. The City staff has been and will continue to work on traffic calming strategies as have been discussed at previous meetings. Member Kelly added that each business would need to be asked what their future plans are because there is not one “plan” for the area.

The Council discussed the issues raised by citizens and directed staff to work with the City’s consultant to mitigate the impact of the proposed ramp expansion on the adjacent properties. **Member Johnson made a motion continuing the public hearing for the West 49½<sup>th</sup> Street Parking Ramp Improvement No. P-4a until October 5, 1999.**

Member Faust seconded the motion.

Ayes: Faust, Hovland, Johnson, Kelly, Maetzold

Motion carried.

**CLAIMS PAID** Commissioner Hovland made a motion approving payment of the following claims as shown in detail on the check Register dated September 2, 1999, and consisting of one page totaling \$62,372.51. Commissioner Faust seconded the motion.

Rollcall:

Ayes: Faust, Hovland, Johnson, Kelly, Maetzold

Motion carried.

There being no further business on the HRA Agenda, Chair Maetzold declared the meeting adjourned the joint meeting at 7:32 P.M.

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Executive Director